COMMONWEALTH OF MASSACHUSETTS DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

Investigation by the Department of Telecommunications and Energy on its own motion as to the propriety of the rates and charges set forth in the following Standby Rate Tariffs: M.D.T.E. Nos. 136A and 137A, M.D.T.E. Nos. D.T.E. 03-121 237C, 238C, 239C, 254A and 255A; and M.D.T.E. Nos. D.T.E. 03-121 Nos. 337A and 338A, filed on January 16, 2004, to become effective February 4, 2004, by Boston Edison Company, Cambridge Electric Light Company, and Commonwealth Electric Company d/b/a NSTAR Electric.

PETITION OF THE MEMBERS OF THE NE DG COALITION TO INTERVENE

American DG, Inc.; Aegis Energy Services, Inc.; OfficePower, L.L.C.; Equity Office Properties Trust, Inc.; Northern Power Systems, Inc.; RealEnergy, Inc.; Tecogen Inc.; and Turbosteam Corporation (collectively, the "NE DG Coalition"), pursuant to G.L. c.30A, §10 and 220 Code Mass. Reg. 1.03, each hereby requests that it be granted leave to intervene in the above-entitled proceeding. In support thereof, the members assert the following:

A. <u>INTRODUCTION</u>

- 1. The NE DG Coalition is an informal group of DG companies and other interested parties, sharing a mutual interest in ensuring fair and reasonable treatment of distributed generation projects in Massachusetts and other New England States.
- 2. The names and addresses of the petitioners are:
 - a) American DG, Inc., 45 First Avenue, Waltham, MA 02451.
 - b) Aegis Energy Services, Inc., 2097 Riverdale Street, West Springfield, MA 01089.
 - c) OfficePower, LLC, 200 Connecticut Avenue, Norwalk, CT 06854.
 - d) Equity Office Properties Trust, Inc., Two North Riverside Plaza, Chicago, IL 60606.

- e) Northern Power Systems, Inc., 182 Mad River Park Waitsfield, VT 05673.
- f) RealEnergy, Inc., 5957 Variel Avenue, Woodland Hills, CA 91367.
- g) Tecogen Inc., 45 First Avenue, Waltham, MA 02451.
- h) Turbosteam Corporation, 161 Industrial Blvd., Turner Falls, MA 01376.
- 3. All correspondence concerning this petition and other subsequent proceedings in this matter should be directed to:

Roger M. Freeman, Esq. Robert M. Granger, Esq. Ferriter, Scobbo, & Rodophele, P.C. 125 High Street Boston, Massachusetts 02110 (617) 737 1800

4. Each and every member of the NE DG Coalition is substantially and specifically affected by these proceedings as set forth below. While the members of the NE DG Coalition share common interests on many issues, the positions that will be taken in this proceeding by the NE DG Coalition will represent a majority consensus viewpoint, and each member of the coalition shall reserve the right to take individual positions on specific matters within the scope of the proceeding.

NE DG COALITION MEMBER'S INTEREST IN THIS PROCEEDING

- 5. Each member of the NE DG Coalition is a company involved in the business of developing, owning, operating, providing equipment, or supplying services related to onsite electricity generation facilities (referred to herein as "Distributed Generation" or "DG").
- 6. American DG, based in Massachusetts, owns and operates on-site distributed power generating systems at their clients' facilities. It supplies its clients with electricity and hot

water using cogeneration units supplied, operated and serviced by American DG, Inc.

The client pays only for the energy used. The company focuses on commercial and small industrial facilities. American DG plans to operate in NSTAR's territory and elsewhere in Massachusetts.

- Aegis Energy Services, Inc., is a Massachusetts domiciled corporation organized in 1985. Aegis develops, operates and sometimes owns modular cogeneration systems throughout southern New England. Facilities with systems operated by Aegis include apartments, college dormitories, industrial and business complexes, medical facilities and nursing homes. Aegis Energy has a project in NSTAR's territory and has future plans to work in NSTAR's territory.
- 8. OfficePower, LLC provides energy solutions to multi-tenant office building owners. The company installs, owns and operates gas-fired distributed generation units that produce reliable, high quality and environmentally friendly power and supplemental thermal energy. OfficePower is currently developing projects in NSTAR's territory.
- 9. Equity Office Properties Trust, Inc. is the nation's largest office building owner and manager, as well as the largest real estate investment trust (REIT) in the United States.

 The company owns more than 700 properties comprising 124 million square feet of office space in the country's major metropolitan markets. The company is actively developing DG projects in its properties in Boston and throughout the United States.
- 10. Northern Power Systems designs, builds, and installs electric power systems for industrial, commercial, government, and military customers. Northern Power Systems' generating systems convert energy derived from wind, sunlight, oil and gas into

- electricity, using thoroughly tested power generation technologies integrated with stateof-the-art controls and power electronics. Northern Power Systems is developing projects in NSTAR's territory and elsewhere in Massachusetts.
- 11. RealEnergy, Inc. uses distributed generation/combined heat and power technologies to develop cost-saving, efficient and clean power solutions for use as back-up or primary power sources. RealEnergy is developing projects in NSTAR's territory.
- 12. Tecogen Inc. is a Massachusetts based company operating in the distributed generation market. Tecogen manufactures natural gas-fueled commercial and industrial cooling, refrigeration, and cogeneration systems. Tecogen sells and services these units.
- 13. Turbosteam Corporation is a corporation organized under the laws of Delaware and headquartered in Massachusetts. Turbosteam Corporation uses its customers' steam distribution networks to utilize excess thermal power through the design, manufacture and installation of backpressure steam turbine-generator sets. The systems represent an efficient and cost-saving power generation solution. Turbosteam has a project in NSTAR's territory.
- 14. Members of the NE DG Coalition will be directly and substantially affected by the proposed Standby Tariffs that are the subject of this proceeding (D.T.E. 03-121). Several members of the NE DG Coalition have existing DG systems in NSTAR Electric's service territory. Several others have projects in development and are presently working with NSTAR Electric seeking interconnection and other services. All the members of the NE DG Coalition have future plans to become involved in some way with DG projects in NSTAR Electric's territory and elsewhere in Massachusetts. NE DG Coalition believes

that this standby rate proceeding will also effect the development of standby rates throughout Massachusetts. Accordingly, the members of the NE DG Coalition have significant vested interest in the matter of whether there should be separate so-called standby rates different from otherwise applicable rates in NSTAR Electric's territory. And if so, how those standby rates should be structured and priced.

- 15. So called "Standby" electric service is often required by NSTAR Electric's customers who choose to install on-site electricity generation facilities. As has been noted in the past and reflected in the proposed rates, "Standby" service refers to three different types of electric distribution service: (1) back-up service; (2) supplemental service; and (3) maintenance service. Each of these services has differing cost characteristics which should be appropriately reflected in rates.
- 16. Fair and reasonable rates for back-up, maintenance and supplemental electricity distribution service cannot be properly decided in the absence of a record in which the evidence taken has been tested through cross examination. This is made clear by the flimsy support offered to justify the rates proposed by NSTAR Electric in its initial filing in this proceeding.
- 17. If their Petition to Intervene is granted, the members of the NE DG Coalition intend to present evidence and argument relevant to the eventual development of fair and reasonable rates for backup, maintenance and supplemental electricity distribution service from NSTAR Electric.
- 18. To the extent that standby rates are based on assumptions which are spurious and later prove to be erroneous or unreasonable, there exists a potentially adverse effect on all

potential providers and users of grid connected on-site generation, including the members of the NE DG Coalition.

- 19. The issues which the NE DG Members intend to raise and the public issues which arise therefrom are of such significance that the Department's deliberations would be well served through a full presentation of all relevant points of view, including those of the members of the NE DG Coalition.
- 20. The members of the NE DG Coalition have pooled resources in order to support the expense of conducting this proceeding. The Members, through their attorneys, intend to conduct discovery, present evidence, file briefs and otherwise participate fully in all aspects of these proceedings.
- 21. The Members of the NE DG Coalition have demonstrated specific interests which are substantially and specifically affected by these proceedings and has enumerated contentions which should be considered by the Department.
- 22. The Members maintain that, pursuant to past Department and Court precedent, they are entitled to intervene.
- 23. As a matter of law, the Department should grant this Motion to Intervene.
- 24. WHEREFORE, the members of the NE DG Coalition each respectfully requests the Department to grant it leave to intervene pursuant to G.L. c. 30A, §10 and 220 Code Mass. Reg. 1.03, and grant such members all the rights and privileges attendant to such intervention as full parties.

AMERICAN DG, INC.;

AEGIS ENERGY SERVICES, INC.;

EQUITY OFFICE PROPERTIES TRUST, INC.;

NORTHERN POWER SYSTEMS, INC.;

OFFICEPOWER, L.L.C.;

REALENERGY, INC.;

TECOGEN INC.; AND

TURBOSTEAM CORPORATION

(COLLECTIVELY, THE "NE DG COALITION")

By their attorneys,

Roger M. Freeman Robert M. Granger **FERRITER, SCOBBO & RODOPHELE, P.C.** 125 High Street Boston, Massachusetts 02110 (617) 737-1800

Dated: February 3, 2004

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